

The Index of Regional Leading Economic Indicators

The CSU Long Beach Office of Economic Research reports that **the Index of Regional Leading Economic Indicators** increased 0.2% in August, ending a five-month string of downward moves. The index stands at a value of 95.5, compared to a reading of 95.3 in July and 95.6 in August 1995.

The recent slide in the Index has been of concern. In August, however, unlike the previous couple of months, both the number of business failures and building permits issued turned around, positively affecting the index. Since it takes three consecutive moves of the index in the same direction to constitute evidence of future regional economic activity, August's rise in the index does not guarantee that the regional economy will not slow down six to nine months from now. More successive months of upward movement are required.

For additional information and comment on the Index of Regional Leading Economic Indicators, please contact Lisa Grobar (310) 985-1652, Joseph Magaddino (310) 985-8136, or Peter Griffin (310) 985-4783, professors of Economics and authors of the index.

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